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May 11th, 1959COCOM Document No. 3507COORDINATING COMMITTEE*6 e repairs*RECORD OF DISCUSSIONONUNITED STATES PROPOSAL TO ADD ITEM 1510 TO THE ITEMS LISTED IN ITEM 1416(e)April 27th, 1959

Present: Belgium (Luxembourg), Canada, Denmark, France, Germany, Italy, Japan, Netherlands, Turkey, United Kingdom, United States.

References: COCOM 549, 1104, 3376, 3379, 3397, 3422, 3442, 3445, 3455, 3458, 3469, 3485, 3499, Sub-C.(58) 3.

1. The CHAIRMAN recalled that at the previous meeting (COCOM 3499) a number of Delegates had given the views of their authorities on the United States proposal for the addition of a Note to Item 1416 (COCOM 3485, paragraph 5). He enquired whether there were any further views on this subject.
2. The CANADIAN and JAPANESE Delegates stated that their authorities were prepared to accept views of the majority on this question.
3. The NETHERLANDS Delegate confirmed the statement he had made at the previous meeting (COCOM 3499, paragraph 5). Although they were not opposing the percentage proposed by the United States and they saw the importance of this point, they considered that it would be very difficult to put into effect. Since the controls in this field were exercised through a gentleman's agreement with the ship-yards, his authorities did not favour the use of a percentage criterion. The Delegate subscribed fully to the remarks made by his Belgian colleague at the previous meeting (COCOM 3499, paragraph 4).
4. The GERMAN Delegate said that he would be interested to hear the United States comments on the compromise proposal put forward by his own Delegation at the last meeting (COCOM 3499, paragraph 3) and which seemed to take care of the views expressed by the United Kingdom Delegation. He recalled that he could accept the United States proposal as far as repairs were concerned while pointing out again that the control on ship repairs was exercised in his country as well by a gentleman's agreement. His authorities were also willing to make statistical returns on equipment covered by Item 1510 which was built into ships sold to the Bloc or in Bloc ships which were repaired in German ports.
5. The UNITED KINGDOM Delegate reiterated that his authorities were prepared to discourage the installation of equipment covered by Item 1510 when Soviet Bloc ships were being repaired and to pay particular attention to cases where the cost of the installation of such equipment amounted to more than 50% of the total cost of the repair work. He was in the same position as his Netherlands colleague in that he could not guarantee the complete prohibition of such installation.
6. The CHAIRMAN asked whether all Members of the Committee could agree to discourage the installation of equipment covered by Item 1510 in vessels sold to the Soviet Bloc and to report to the Committee if such equipment were installed? Secondly, he enquired whether the United States Delegate could accept the German or United Kingdom formula for dealing with the installation of this equipment during repair work?

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7. The UNITED KINGDOM Delegate said that his position could be summed up under three headings. First, as far as the installation of this equipment in new ships was concerned, his authorities could not accept any restrictions, either by the addition of Item 1510 to the list contained in Item 1416(e) or by means of an exhortation not to install this equipment. Secondly, with regard to the sale of second hand vessels, his authorities would discourage the installation of this equipment but in practice they would not know whether such equipment was already installed and they would not agree to its being taken out before the ship was sold. Thirdly, in the context of repairs, his authorities would accept the United States text as proposed in COCOM 3485, paragraph 5 if the opening phrases were modified to read: "With respect to the repairs and alterations to ships owned or controlled ..." and with the proviso that there could be no guarantee that such installations could be prohibited, although special attention would be paid to cases where the installation of such equipment came to more than 50% of the total cost of the repair work undertaken.
8. The GERMAN Delegate reiterated, as to the first question of the Chairman, that with respect to the installation of Item 1510 equipment in ships sold to the Bloc, his authorities could not accept any restrictions if the full coverage of Item 1510 was concerned, but were willing to make statistical returns. As to repairs, his position was as stated in paragraph 4 above.
9. The UNITED STATES Delegate pointed out that whereas his authorities had previously pressed for the complete prohibition of the installation of equipment covered by Item 1510 during repair work, they were now urging prohibition only when the cost of such installation amounted to 50% or more of the total cost of the repairs and installations. If the installation amounted to less than 50% of the total cost, there was only an exhortation "to avoid to the maximum extent possible".
10. The FRENCH Delegate stated that he could accept the United States proposal ad referendum.
11. The NETHERLANDS Delegate undertook to refer the United States proposal back to his authorities once more. He suggested that the word "promptly" in the last sentence of the United States proposal should be changed to "in the monthly statistical returns".
12. The ITALIAN Delegate stated that his authorities could accept the United States proposal.
13. The UNITED STATES Delegate stated that his authorities had compromised from time to time and had moved far from their original position. He wished to make clear in this connexion that the views of his Government on the highly strategic nature of the equipment covered by Item 1510 had not changed, however in a further effort to reach agreement, he said that his authorities might be able to accept the substance of the German reservation (COCOM 3397, paragraph 2) on the original United States proposal, i.e. that Item 1510 should be added to the items listed in Item 1416(e) except for such equipment as was clearly identifiable as fish finding or whale finding equipment. The United States authorities would also wish to have installation of equipment covered by Item 1510 reported in the monthly statistical returns.
14. The FRENCH Delegate commented that it would be extremely difficult to define the equipment concerned. He asked whether the United States Delegation could give information as to the characteristics of such equipment.
15. The UNITED STATES Delegate replied that the proposal to except fish finding or whale finding equipment was not his own. He agreed that it might be difficult to identify this equipment. The United States authorities were making a final effort of compromise and he hoped other Member Governments would be able to accept it.

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16. The CHAIRMAN summed up the discussion under the following three headings:

- (a) With reference to the United States proposal concerning Item 1510 (COCOM 3485, paragraph 5), it seemed that the Committee were prepared to accept the text put forward with the following changes in wording:

"With respect to the repairs and alterations to ships owned or controlled by the Sino-Soviet Bloc, Member Countries should take such steps as may be necessary to avoid to the maximum extent possible the installation of equipment covered by the definition of Item 1510, and should not permit such installation if the value of the equipment covered by 1510 is more than 50% of the total cost of the repairs and installations to be undertaken. The installation of such equipment should be reported in the monthly statistical returns to COCOM."

The French Delegation could accept this ad referendum and the Belgian and Netherlands Delegations were giving further consideration to the implications of the 50% limit.

- (b) The Committee were prepared to accept the Note to Item 1510, as proposed by the German Delegation, undertaking the monthly statistical returning of the installation of equipment covered by Item 1510 in new or secondhand vessels.
- (c) The United States Delegation had invited the rest of the Committee to reconfirm the readiness they had expressed at previous meetings to accept the addition of Item 1510 to the items listed in Item 1416(e) except for such equipment was clearly identifiable as fish finding or whale finding equipment.

He recommended that Delegates should attempt to give the final positions of their authorities on these three points at the next meeting.

15. The COMMITTEE decided to continue the discussion on May 11th.

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